

INFORMATION REPORT

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SUBJECT Recent Developments in A/O Avtovelo,
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1. USIA's preparations to liquidate Soviet property in Austria continue; in-ventories of machinery, raw materials, and other equipment are now being made by A/O Avtovelo, A/O Kraska, other USIA production administrations and USIA-controlled firms. Machinery and raw materials not used for current production are being turned over for sale by USIA sales and purchasing of-fices.* The Avtovelo sales and purchasing office has received detailed lists of items to be sold from Austro-Fiat, Hirtenberger Patronenfabrik and Steyr-Daimler-Puch A.G. Austro-Fiat has submitted a list of 38 machines, including 13 tool machines and 25 hardening and forging ovens, and several types of steel, itemizing even such small pieces as one meter lengths of piping. [] the reason the machinery listed by Austro-Fiat is valued at only 120,000 schillings is that most of it needs a considerable amount of repair work before it can be put in operating condition. [] states that much of the sheet metal listed has been badly damaged by rust. The list from Hirtenberger Patronenfabrik itemizes all machinery and gives a detailed description of such raw materials as 70 tons of scrap metals and 2 kilogram lots of band steel. [] this list includes stationary factory equipment, specifically, 40 tons transmission rods, which are to be dismantled from plant installations for sale in the near future. The Steyr-Daimler-Puch sales list enumerates various types of metal rods and sheet iron, used in the manufacture of motorcycles. [] that the machinery and a considerable amount of scrap materials, which these plants will sell, have not only been drawn from surplus stocks but are actually being disassembled and removed from permanent factory installations, which were set up before the war. 25X1
 2. At the same time, USIA is placing Soviet orders for a variety of products with USIA-controlled firms. Recently, the Avtovelo sales office was directed to purchase 1,000 sets of tires for Austro-Fiat trucks.** Most of these trucks are to be shipped to the USSR, although 15 have been allocated for sale on the Austrian market, and 12 are now being prepared for shipment to Bulgaria. The Avtovelo sales and purchasing office has also been ordered to obtain all equipment and materials necessary for the production of about 25X1

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in the Steyr-Daimler-Puch A.G. Tolbuehinstrasse repair shops for some time, will be used as carriages for these units. Diesel motors manufactured by the non-USIA Elin plant are to be purchased from various distributors.

that about 250 of these Diesel motors will be obtained from Engr. Rudolf OSMARK, Vienna II, Taborstrasse 24/A. Kloeckner-Humboldt-Deutz is to manufacture the switch panels, unless the USIA firm, C.P. Goerz, can furnish the required number. The Soviet order specifies that these power units have a type DC 150 A1 generator, capable of developing 9.5 to 13 horsepower, operate on a rotary current of 220 to 380 volts, and have two bearings, a three-drive shaft, and a corrugated iron roof. Other firms administered by Avtovelo, now working on Soviet orders almost exclusively, are the Peter Ginzler firm in Ybbitz Markt, and Friedrich Weichmann's Nachfolger, Metallwarenfabrik und Apparatebau G.m.b.H. which has an order for automobile headlights and spot

e. on a large Polish order and
minum scrap for various

USIA firms. KAUFMANN, an Avtovelo bookkeeper, has stated that USIA intends to liquidate the latter firm in the near future.

3. Meanwhile, the Avtovelo sales and purchasing office is having serious financial difficulties. Avtovelo firms owe the sales and purchasing office about 5,000,000 schillings, and at the same time the office's debt to the Soviet Military Bank is estimated at 3,500,000 schillings.* The sales office handles practically no sales of products drawn from current production of Avtovelo firms, because most of these sales are handled directly by the factories, and a number of Avtovelo firms have authorized their own employees to sell company products with a commission of one percent on each sale.** Usually, there is no coordination of prices among USIA firms and the prices of newly manufactured goods sold by Avtovelo firms are far above the world market prices. In this connection, the recent purchase of a centrifugal machine by the Wiener-Molkerei G.m.b.H. Berndorfer Metallwarenfabrik A.G. offered such a machine for 29,000 schillings, a firm in the French Zone of Austria wanted 19,000 schillings, and the USIA-controlled Boehlerwerke finally made the sale for 12,000 schillings.

4.

mit Bergbauprodukten, Vienna IV, Prinz Eugen Strasse 68, a firm dealing in mining implements and products, is now negotiating with the Avtovelo sales office for the

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